

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 162

HOUSE BILL 2232

AN ACT

AMENDING SECTION 20-167, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 132, SECTION 1 AND CHAPTER 214, SECTION 1; REPEALING SECTION 20-167, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2003, CHAPTER 242, SECTION 1; AMENDING SECTIONS 20-286, 20-289, 20-293, 20-1561, 20-1580, 20-2901, 20-2902, 20-2904 AND 20-2905, ARIZONA REVISED STATUTES; REPEALING SECTION 20-1579, ARIZONA REVISED STATUTES; BLENDING MULTIPLE ENACTMENTS; RELATING TO INSURANCE PRODUCER LICENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-167, Arizona Revised Statutes, as amended by Laws 2002, chapter 132, section 1 and chapter 214, section 1, is amended to read:

20-167. Fees

A. The director shall collect in advance the following fees, as adjusted pursuant to subsection F of this section, which are nonrefundable on payment:

Not Less Than: Not More Than:

1. For filing charter documents:

- (a) Original charter documents, articles of incorporation, bylaws, or record of organization of insurers, or certified copies thereof, required to be filed with the director and not also subject to filing in the office of the corporation commission
- (b) Amended charter documents
- (c) No charge or fee shall be required for filing with the director any of such documents also required by law to be filed in the office of the corporation commission

\$ 40.00	\$ 115.00
15.00	45.00

2. Certificate of authority:

- (a) Issuance:
 - Fraternal benefit societies
 - Medical or hospital service corporations, health care services organizations or prepaid dental plan organizations
 - Medical MECHANICAL reimbursement reinsurers
 - All other insurers
- (b) Renewal:
 - Fraternal benefit societies
 - Medical or hospital service corporations, health care

\$ 15.00	\$ 45.00
40.00	115.00
150.00	450.00
100.00	295.00
15.00	45.00

1	services organizations or		
2	prepaid dental plan		
3	organizations	40.00	115.00
4	Domestic stock life insurers,		
5	domestic stock disability		
6	insurers or domestic stock		
7	life and disability insurers	750.00	2,250.00
8	Domestic life reinsurers,		
9	domestic disability		
10	reinsurers or domestic		
11	life and disability		
12	reinsurers	\$-2,250.00	\$-5,500.00
13	Mechanical reimbursement		
14	reinsurers	2,250.00	5,500.00
15	All other insurers	70.00	205.00
16	3. Certificate of registration as an		
17	administrator or application for		
18	renewal under section 20-485.12	\$ 100.00	\$ 295.00
19	4. Authority to solicit applications		
20	for and issue policies by means		
21	of mechanical vending machines	\$ 30.00	\$ 90.00
22	5. Service company permit	\$ 150.00	\$ 450.00
23	6. Application for motor vehicle		
24	service contract program approval	\$ 150.00	\$ 450.00
25	7. Life care contract application		
26	or annual report	\$ 225.00	\$ 675.00
27	8. Filing annual statement	\$ 150.00	\$ 450.00
28	9. Annual statement filing for		
29	exempt insurer transacting life		
30	insurance, disability insurance		
31	or annuity business pursuant to		
32	section 20-401.05	\$ 65.00	\$ 100.00
33	10. Licenses and examinations:		
34	(a) Licenses:		
35	Surplus lines broker's license,		
36	Biennially QUADRENNIALLY	300.00	900.00
37		\$600.00	\$1,800.00
38	All other licenses,		
39	biennially QUADRENNIALLY	30.00	90.00
40		60.00	180.00
41	(b) Examinations for license:		
42	Examination on laws and one kind		
43	of insurance	8.00	25.00
44	Examination on laws and two or		
45	more kinds of insurance	15.00	45.00

1 11. Miscellaneous:

2 Fee accompanying service of		
3 process upon director	\$ 8.00	\$ 25.00
4 Certificate of director,		
5 under seal	1.50	5.00
6 Copy of document filed in		
7 director's office, per page	0.50	0.75

8 B. EXCEPT AS PROVIDED IN SECTION 20-1098.18, the director shall
 9 deposit, pursuant to sections 35-146 and 35-147, all fees collected pursuant
 10 to this section in the state general fund. A refund is not allowed for any
 11 unused portion of a fee, and the director shall not prorate fees.

12 C. The license fees prescribed by this section shall be payment in
 13 full of all demands for all state, county, district and municipal license
 14 fees, license taxes, business privilege taxes and business privilege fees and
 15 charges of every kind.

16 D. Each domestic stock life or disability insurer that pays the
 17 renewal fee required under subsection A of this section is entitled to a
 18 credit in the amount of at least four hundred fifty-five dollars but not more
 19 than six hundred eighty dollars, as adjusted pursuant to subsection F of this
 20 section, to apply to the premium tax the insurer then owes pursuant to
 21 section 20-224, but the credit is not cumulative.

22 E. The director may contract for the examination for the licensing of
 23 adjusters, insurance producers, bail bond agents, risk management consultants
 24 and surplus lines brokers. If the director does so, the fee for examinations
 25 for licenses pursuant to this section is payable directly to the contractor
 26 by the applicant for examination. The director may agree to a reasonable
 27 examination fee to be charged by the contractor. The fee may exceed the
 28 amounts prescribed in this section.

29 F. Each December 1, if the revenue collected from fees during the
 30 prior fiscal year is less than ninety-five per cent or more than one hundred
 31 ten per cent of the appropriated budget for the current fiscal year, the
 32 director shall revise all fees within the limits prescribed by subsection A
 33 of this section on a uniform percentage basis among all fee categories and
 34 shall adjust the credit prescribed by subsection D of this section as
 35 necessary in order to retain any required uniformity. The director shall
 36 revise the fees in such a manner that the revenue derived from the fees
 37 during the subsequent fiscal year equals at least ninety-five per cent but
 38 not more than one hundred ten per cent of the appropriated budget for the
 39 current fiscal year. The revised fee schedule shall be effective July 1 of
 40 the subsequent fiscal year. For the purposes of this subsection,
 41 appropriated budget does not include any appropriation for the operation of
 42 the captive insurance program established under chapter 4, article 14 of this
 43 title. Any fees collected from captive insurers pursuant to subsection H of
 44 this section shall not be counted for the purpose of meeting the requirement

1 of this section to recover at least ninety-five but not more than one hundred
2 ten per cent of the department's appropriated budget.

3 G. The director may contract with a voluntary domestic organization
4 of surplus lines brokers to perform any transaction prescribed in chapter 2,
5 article 5 of this title, including the acceptance or maintenance of the
6 reports required by section 20-408. The director may allow the contractor
7 to charge a stamping fee. The surplus lines broker shall pay the stamping
8 fee established pursuant to this section directly to the contractor.

9 H. Captive insurers shall pay certificate of authority issuance and
10 renewal fees as prescribed by the director.

11 I. For the purposes of subsection G of this section, "stamping fee"
12 means a reasonable filing fee charged by a contractor for any transaction
13 prescribed in chapter 2, article 5 of this title, including the acceptance
14 or maintenance of the reports required by section 20-408.

15 Sec. 2. Repeal

16 Section 20-167, Arizona Revised Statutes, as amended by Laws 2003,
17 chapter 242, section 1, is repealed.

18 Sec. 3. Section 20-286, Arizona Revised Statutes, is amended to read:
19 20-286. Licensure; lines of authority

20 A. Unless the director denies a license pursuant to section 20-295,
21 the director shall issue a resident insurance producer license to any person
22 who meets the requirements prescribed in sections 20-284 and 20-285. An
23 insurance producer may qualify for a license in one or more of the following
24 lines of authority:

25 1. Life. Life insurance is coverage on human lives, including
26 benefits of endowment and annuities, and may include benefits in the event
27 of death or dismemberment by accident and benefits for disability income.

28 2. Accident and health or sickness. Accident and health or sickness
29 insurance is coverage for sickness, bodily injury or accidental death and may
30 include benefits for disability income.

31 3. Property. Property insurance is coverage for the direct or
32 consequential loss or damage to property of every kind.

33 4. Casualty. Casualty insurance is coverage against legal liability,
34 including liability for death, injury, disability or damage to real or
35 personal property.

36 5. Variable life and variable annuity products. Variable life and
37 variable annuity is insurance coverage that is provided under a variable life
38 insurance contract or a variable annuity.

39 6. Personal lines. Personal lines is property and casualty insurance
40 coverage that is sold to individuals and families for primarily noncommercial
41 purposes.

42 7. Credit. Credit insurance is limited line credit insurance.

43 8. Any other line of insurance allowed under state law or rules
44 adopted by the director.

1 B. The license shall contain the licensee's name, address and
2 identification number, the date of issuance, the lines of authority, the
3 expiration date and any other information the director deems necessary. THE
4 DIRECTOR MAY MAKE THE INFORMATION PRESCRIBED BY THIS SECTION AVAILABLE
5 ELECTRONICALLY.

6 C. A licensee shall inform the director in writing within thirty days
7 of any change in the licensee's:

8 1. Residential or business address.

9 2. Members, directors, officers or designated producer. THE DIRECTOR
10 MAY REQUIRE THAT A LICENSEE WHO NOTIFIES THE DIRECTOR OF A CHANGE PURSUANT
11 TO THIS PARAGRAPH SUBMIT A FULL SET OF FINGERPRINTS OF EACH NEW MEMBER,
12 DIRECTOR, OFFICER OR DESIGNATED PRODUCER TO THE DIRECTOR FOR THE PURPOSE OF
13 OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION
14 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE
15 THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

16 3. NAME.

17 D. In order to assist in the performance of the director's duties, the
18 director may contract with a third party to perform any ministerial functions
19 that are related to producer licensing and that the director deems
20 appropriate, including the collection of fees.

21 Sec. 4. Section 20-289, Arizona Revised Statutes, is amended to read:

22 20-289. Expiration; surrender; renewal

23 A. Any license that is issued pursuant to this article, other than a
24 temporary license, continues in force until it expires or the director
25 suspends, revokes or terminates the license. The license is also subject to
26 renewal pursuant to this section.

27 B. A license that is issued OR RENEWED pursuant to this article or a
28 license that is issued OR RENEWED pursuant to chapter 6, article 9 of this
29 title expires ~~biennially~~ QUADRENNIALLY AS FOLLOWS:

30 1. ~~IF THE LICENSEE IS AN INDIVIDUAL, on the last day of the same month~~
31 ~~two years after the issuance or renewal of the license pursuant to this~~
32 ~~article~~ OF THE LICENSEE'S BIRTHDAY, BUT NOT LESS THAN THREE YEARS AND NOT
33 MORE THAN FOUR YEARS AFTER THE LAST DAY OF THE MONTH IN WHICH THE LICENSE IS
34 ISSUED OR IS REQUIRED TO BE RENEWED.

35 2. IF THE LICENSEE IS A BUSINESS ENTITY, ON THE LAST DAY OF THE SAME
36 MONTH FOUR YEARS AFTER THE ISSUANCE OR RENEWAL DUE DATE OF THE LICENSE AS
37 PROVIDED PURSUANT TO THIS ARTICLE.

38 C. The director may renew a license if the ~~licensee files~~ DIRECTOR
39 RECEIVES FROM THE LICENSEE ALL OF THE FOLLOWING ON OR BEFORE THE LICENSE
40 EXPIRATION DATE:

41 1. An application on a form approved by the director.

42 2. ~~and pays the renewal~~ THE LICENSE fee prescribed in section 20-167
43 ~~on or before the expiration date and, until July 1, 2004, if applicable,~~
44 ~~complies.~~

1 3. EVIDENCE THAT THE LICENSEE HAS COMPLIED with the continuing
2 education requirements prescribed in chapter 18 of this title.

3 D. Before renewing a license, the director may require the applicant
4 to:

5 1. Provide all documents that are reasonably necessary to verify the
6 information that is contained in the application and any other information
7 including prior criminal records.

8 2. Submit a full set of fingerprints to the department. The
9 department of insurance shall submit the fingerprints to the department of
10 public safety for the purpose of obtaining a state and federal criminal
11 records check pursuant to section 41-1750 and Public Law 92-544. The
12 department of public safety may exchange this fingerprint data with the
13 federal bureau of investigation.

14 E. Any license for which the director does not receive timely
15 application for renewal and full payment of fees expires at midnight on the
16 renewal date. During the ~~six months~~ YEAR after the expiration of a license
17 under this section, a person who otherwise meets the qualifications for a
18 license may renew an expired license by filing with the director a renewal
19 application, the ~~biennial~~ QUADRENNIAL license fee and an additional one
20 hundred dollars as a late renewal fee. Any application that is received
21 during this ~~six month~~ ONE YEAR period for the same license that expired under
22 this section is deemed a renewal application. Any application that is
23 received after the ~~six month~~ ONE YEAR period for the same license that
24 expired under this section is deemed a new application.

25 F. On the written request of a person who is licensed pursuant to this
26 article, the director may accept the voluntary surrender of the person's
27 authority to transact one or more lines of insurance or of the person's
28 entire license. A person who surrenders an authority or a license under this
29 subsection shall not reapply for the same authority or license for at least
30 ~~six months~~ ONE YEAR after the date of the surrender.

31 Sec. 5. Section 20-293, Arizona Revised Statutes, is amended to read:

32 20-293. Insurance vending machines

33 A. Only a licensed insurance producer who is authorized by the
34 director may solicit applications for and issue policies by means of
35 mechanical vending machines. The insurance producer shall supervise each
36 machine and shall issue policies only of insurers authorized to transact
37 business in this state. A policy shall not be solicited and issued through
38 a machine if the director finds that the kind of insurance or form of policy
39 to be sold is unsuitable for sale and issuance through vending machines, that
40 use of a vending machine may pose a risk of harm to the public or that the
41 proposed type of vending machine is not reasonably suitable and practical for
42 the purpose.

43 B. The insurance producer shall display on or near each vending
44 machine evidence of the producer's authority to solicit applications and
45 issue policies in a manner and form as the director may reasonably

1 require. The evidence of authority shall specify the name and address of
2 both the insurer and the insurance producer, the kind of insurance and type
3 of policy to be sold, the place where the machine is to be in operation and
4 the machine's identification number. The authority is renewable biennially
5 ~~in odd-numbered years on or before the last day of the month~~ GRANTED PURSUANT
6 TO THIS SECTION EXPIRES COINCIDENT WITH THE INSURANCE PRODUCER'S
7 LICENSE. The director shall suspend, revoke or otherwise terminate the
8 authority to operate a vending machine coincidentally with that of the
9 insurance producer.

10 Sec. 6. Section 20-1561, Arizona Revised Statutes, is amended to read:

11 20-1561. Law governing title insurers

12 A. This article applies to all title insurers, title insurance rating
13 organizations, title insurance agents, applicants for title insurance and
14 policyholders and to all persons and business entities engaged in the
15 business of title insurance.

16 B. To the extent not modified by this article, title insurers are
17 subject to and governed by the other applicable sections of this title.

18 C. Any new insurance law enacted after January 1, 1968 does not apply
19 to title insurers, title insurance rating organizations, title insurance
20 agents, applicants for title insurance, title insurance policyholders or
21 title insurance, except by express reference therein.

22 D. Section 20-223 applies to title insurers.

23 E. Title insurance agents shall be licensed pursuant to this
24 article. Chapter 2, article 3 of this title does not apply to licensure of
25 title agents except by specific reference therein IN THAT ARTICLE, EXCEPT
26 THAT TO THE EXTENT NOT INCONSISTENT WITH THIS ARTICLE, SECTION 20-285,
27 SECTION 20-286, SUBSECTIONS C AND D AND SECTIONS 20-287, 20-289, 20-289.01,
28 20-290, 20-291, 20-292, 20-295, 20-296, 20-297, 20-298, 20-299, 20-300 AND
29 20-301 APPLY TO TITLE INSURANCE AGENTS.

30 Sec. 7. Repeal

31 Section 20-1579, Arizona Revised Statutes, is repealed.

32 Sec. 8. Section 20-1580, Arizona Revised Statutes, is amended to read:

33 20-1580. Title insurance agents to be licensed

34 A. Title insurance agents shall be licensed by the director.
35 Application for license shall be made on forms approved by the director, and
36 the director shall issue a license upon completion and filing the application
37 and payment of the license fee specified in section 20-167.

38 B. Licenses of title insurance agents shall expire biennially
39 QUADRENNIALLY at midnight in each even-numbered year on the last day of the
40 same month two FOUR years after the license was issued or renewed unless
41 sooner terminated by the withdrawal by the insurer of authority in the agent,
42 or unless revoked by the director.

43 C. Title insurance agents' licenses shall be renewed biennially
44 QUADRENNIALLY on the filing of an application containing such information as
45 the director deems necessary.

1 D. The director may grant a temporary license to a corporation or
2 limited liability company that is qualified for licensing as a title
3 insurance agent. The license shall remain in force and effect for a period
4 of six months. If the applicant fails to qualify for a regular title
5 insurance agent's license as provided in this section, no renewal or
6 extension may be granted.

7 Sec. 9. Section 20-2901, Arizona Revised Statutes, is amended to read:
8 20-2901. Definitions

9 In this article, unless the context otherwise requires:

10 1. "Applicant" means a provider organization that submits an
11 application to the contractor to provide continuing education courses.

12 2. "Approved continuing education course" means any course that has
13 been approved by at least five other states or that is approved by a
14 contractor or automatically approved pursuant to section 20-2904.

15 3. "Approved provider" means an organization or individual that offers
16 an approved continuing education course and that is authorized by the
17 contractor to offer the course to a licensee for credit toward the licensee's
18 continuing education requirements.

19 4. "Continuing education review committee" means the committee
20 appointed by the director pursuant to section 20-2905 to establish minimum
21 standards that apply to approved providers and approved continuing education
22 courses and minimum performance standards that apply to contractors.

23 5. "Contractor" means the person who has a contract with the
24 department of insurance to approve continuing education providers and courses
25 and to administer the continuing education program and who is paid through
26 fees collected from approved providers when the approved providers apply for
27 continuing education course approval.

28 6. "Credit hour" means the value assigned to an hour of instruction
29 in an approved continuing education course.

30 7. "LICENSE PERIOD" MEANS THE PERIOD BETWEEN THE DATE A LICENSE IS
31 ISSUED OR LAST RENEWED AND THE EXPIRATION DATE OF THE LICENSE.

32 ~~7.~~ 8. "Licensee" means an insurance producer, including a surplus
33 lines broker, or a managing general AGENT as defined in chapter 2, article
34 3.1 of this title who AT ANY TIME DURING THE LICENSE PERIOD holds a current
35 nonresident license to transact insurance in another state. Licensee does
36 not include a person who holds a nonresident license from this state, any
37 firm, corporation or other similar entity or an adjuster as defined in
38 section 20-321.

39 ~~8. "Line of insurance" means property and casualty insurance, life~~
40 ~~insurance, disability insurance or life and disability insurance.~~

41 9. "Nonresident applicant" means an insurance producer or a managing
42 general agent or service representative who holds a resident license in
43 another state and a nonresident license in this state and who is applying for
44 the renewal of a nonresident license in this state.

1 10. "Provider organization" means a person that provides continuing
2 education courses but has not yet been accepted as an approved provider
3 pursuant to section 20-2904.

4 Sec. 10. Section 20-2902, Arizona Revised Statutes, is amended to
5 read:

6 20-2902. Continuing education requirements; nonresident license
7 in another state; nonresident license in this state

8 A. ~~Beginning on July 1, 1999~~ To qualify for renewal of a resident
9 license, each licensee who has a current nonresident license to transact
10 insurance in another state IS LICENSED IN THIS STATE FOR ONE YEAR OR MORE
11 shall biennially QUADRENNIALLY complete for each license period a minimum of
12 twenty FORTY credit hours of approved INSURANCE continuing education courses
13 offered by an approved provider. ~~for one line of insurance or thirty hours~~
14 ~~for more than one line of insurance. As a condition of license renewal, each~~
15 ~~licensee shall complete the required credit hours applicable to each license~~
16 ~~that has been in existence for at least one year.~~

17 B. After the licensee completes an approved continuing education
18 course, the approved provider shall furnish the licensee with a certificate
19 of compliance in a form approved by the director that certifies that the
20 licensee has taken and completed the course. The licensee and a person
21 authorized to sign on behalf of the approved provider shall sign the
22 certificate. THE DIRECTOR MAY REQUIRE THAT the licensee shall attach the
23 signed certificate of compliance to the application for renewal of the
24 resident license. The director shall not renew the licensee's resident
25 license unless the ~~executed certificates attached to the application~~
26 ~~demonstrate that the licensee~~ DIRECTOR HAS OBTAINED EVIDENCE THAT THE
27 LICENSEE HAS completed the credit hours prescribed in subsection A. The
28 required credit hours apply to the same term as the license.

29 C. Pursuant to subsection B, the form approved by the director shall
30 require at least the following information:

31 1. The licensee's name, ~~address, social security number~~ and THE
32 license number THAT IS issued by the department.

33 2. The name of the approved provider.

34 3. The subjects and titles of the approved continuing education
35 courses that the licensee completed.

36 4. The dates that the licensee completed the approved continuing
37 education courses.

38 D. Except as provided in subsections E and F, ~~beginning on July 1,~~
39 ~~1999,~~ a licensee seeking to renew a nonresident license shall submit proof
40 to the director of having earned the continuing education credit requirements
41 that are needed to satisfy the requirements of the nonresident licensee's
42 resident state to comply with the continuing education requirements
43 prescribed in this section.

1 E. ~~Notwithstanding subsection D,~~ If the nonresident licensee's
2 resident state does not recognize credits earned by residents of this state,
3 the nonresident applicant shall satisfy the continuing education prescribed
4 in this section only by earning continuing education credits from an approved
5 provider.

6 F. Subsections D and E do not apply to a nonresident licensee whose
7 resident state does not have a continuing education requirement.

8 Sec. 11. Section 20-2904, Arizona Revised Statutes, is amended to
9 read:

10 20-2904. Continuing education; contractor requirements;
11 automatic approval

12 A. Pursuant to title 41, chapter 23, ~~before July 1, 1999~~ the director
13 shall enter into a contract with a person for the approval of approved
14 providers and courses and administration of the continuing education program.
15 The director shall include in any request for proposals the minimum
16 performance standards established by the continuing education review
17 committee.

18 B. The contractor shall:

19 1. After a complete review and investigation based on the minimum
20 standards established by the continuing education review committee:

21 (a) Accept or reject provider organizations as approved providers.

22 (b) Except as provided in subsection C of this section, review course
23 content for approval or disapproval as an approved continuing education
24 course.

25 2. Charge an applicant an application fee for acceptance as an
26 approved provider and a fee for approval of a continuing education course.

27 ~~3. Biennially review the required number of credit hours prescribed~~
28 ~~in section 20-2902 and if necessary recommend any modifications to the~~
29 ~~director. At any time the director may conduct an independent review of the~~
30 ~~continuing education requirements prescribed in section 20-2902, and the~~
31 ~~review may include consulting with the contractor, the continuing education~~
32 ~~review committee and any other person deemed appropriate by the director.~~

33 ~~4. Biennially review the continuing education requirements pursuant~~
34 ~~to this article to assess whether the requirements are sufficient to maintain~~
35 ~~reciprocity with other states and make recommendations to the director for~~
36 ~~appropriate modifications to maintain reciprocity.~~

37 C. A continuing education course is automatically approved if either:

38 1. Thirty days after the contractor receives an application, the
39 contractor does not disapprove the course described in the application or
40 does not request supplemental information from the applicant.

41 2. The course is approved by the insurance regulatory authority in at
42 least five other states and the approved provider provides the contractor
43 with a certificate or letter from the regulatory authority in the five other
44 states that confirms the approval of the course.

1 D. The contractor's decision pursuant to subsection B, paragraph 1,
2 subdivision (b) of this section is an appealable agency action as defined in
3 section 41-1092 and the approved provider is entitled to a hearing pursuant
4 to title 41, chapter 6, article 10 and, except as provided in section
5 41-1092.08, subsection H, is entitled to judicial review pursuant to title
6 12, chapter 7, article 6.

7 E. Except as provided in section 20-2903, the acceptance of an
8 approved provider is valid for five years. At the end of the five years, the
9 approved provider may submit an application for renewal to the contractor and
10 the contractor shall charge the approved provider the fee prescribed in
11 subsection B of this section. The approval of a continuing education course
12 is valid for two years or until the course content or outline changes. At
13 the end of the two years or when the course content or outline changes, the
14 approved provider may submit an application for renewal to the contractor and
15 the contractor shall charge the approved provider the fee prescribed in
16 subsection B of this section.

17 Sec. 12. Section 20-2905, Arizona Revised Statutes, is amended to
18 read:

19 20-2905. Continuing education review committee

20 A. The continuing education review committee is established in the
21 department consisting of at least five members and not more than seven
22 members who are appointed by the director. The director shall appoint to the
23 committee representatives of the insurance industry, consumers and any other
24 person deemed necessary by the director. The director or the director's
25 designee serves as the chairman of the committee. The members serve at the
26 pleasure of the director.

27 B. Members of the committee shall have knowledge of the insurance
28 industry and shall be residents of this state.

29 ~~C. The committee shall conduct meetings at least quarterly during its~~
30 ~~first year of operation and at least semiannually thereafter. The committee~~
31 ~~shall hold its meetings in Phoenix, except that the committee shall hold at~~
32 ~~least one meeting each year outside of Maricopa county. The committee shall~~
33 ~~conduct meetings as necessary on the call of the director or the chairman or~~
34 ~~on the request of any two members of the committee.~~

35 D. The committee shall:

36 1. Establish minimum standards that apply to approved continuing
37 education courses and approved providers and that the contractor shall use
38 to evaluate continuing education course and provider organizations pursuant
39 to section 20-2904.

40 2. Establish minimum performance standards that apply to the
41 contractor and that the director shall include in any request for proposals
42 for the administration of the continuing education program prescribed by this
43 article.

1 3. Engage in any necessary task that is prescribed by the director and
2 that is related to the continuing education program prescribed by this
3 article.

4 E. A committee member is not civilly liable for acts, omissions or
5 decisions made in good faith in conjunction with the member's service on the
6 committee.

7 F. Committee members are not eligible to receive compensation but are
8 eligible for reimbursement of expenses pursuant to title 38, chapter 4,
9 article 2.

10 Sec. 13. Fee for quadrennial license

11 Notwithstanding section 20-167, subsection F, Arizona Revised Statutes,
12 as amended by this act, on December 1, 2004, the director shall prescribe the
13 fee for a quadrennial license pursuant to section 20-167, subsection A,
14 Arizona Revised Statutes, as amended by this act, to become effective January
15 1, 2005, at twice the fee that was effective on December 31, 2004, for
16 biennial license. From and after December 1, 2004, the director shall revise
17 the fee for quadrennial license in the same manner as for other fees as
18 prescribed by section 20-167, subsection F, Arizona Revised Statutes.

19 Sec. 14. Licenses that expire January 1, 2005 through December
20 31, 2006; renewal requirements

21 This section applies to a license that expires beginning on January 1,
22 2005 through December 31, 2006. Notwithstanding any other law, for a license
23 that is renewed pursuant to title 20, chapter 2, article 3, 3.1, 3.2, 3.3 or
24 3.4, Arizona Revised Statutes, or title 20, chapter 6, article 9, Arizona
25 Revised Statutes, a licensee whose license number is an odd number shall meet
26 the requirements for renewing a license as otherwise prescribed by title 20,
27 Arizona Revised Statutes, except that:

28 1. The person shall pay one-half the quadrennial license fee that is
29 prescribed pursuant to section 20-167, Arizona Revised Statutes, as amended
30 by this act.

31 2. The person shall submit evidence of completing one-half of the
32 number of hours of insurance continuing education that is required by section
33 20-2902, Arizona Revised Statutes, as amended by this act.

34 3. The director shall renew the license for two years.

35 Sec. 15. Effective date

36 Sections 20-167, 20-289, 20-1580, 20-2901 and 20-2902, Arizona Revised
37 Statutes, as amended by this act, are effective from and after December 31,
38 2004.

APPROVED BY THE GOVERNOR APRIL 26, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 26, 2004.